



FY06 BUDGET RESOLUTION: CHALLENGES AND OPPORTUNITIES

Other Priorities

Agriculture: The budget assumes \$2.8 billion over five years in reconciled savings from the Agriculture, Nutrition and Forestry Committee – significantly less than the President’s proposed savings of \$7.6 billion from these programs. This assumption affords the flexibility needed to achieve budgetary savings while ensuring continued, adequate support for programs that assist farmers and ranchers, preserve the environment and reduce hunger.

Asbestos victims compensation: The budget includes a reserve fund for the Judiciary Committee to report asbestos injury compensation legislation, provided the proposed legislation does not increase the deficit.

Energy: America relies on volatile foreign sources for two-thirds of its oil. The budget reserves \$2 billion over five years for enactment of a national energy policy, assumes \$4.6 billion in associated tax incentives and assumes new receipts from opening ANWR to exploration and development.

Environment: The budget assumes a \$1.05 billion reserve fund for increasing the Land and Water Conservation Fund to support resource conservation, restoration, and acquisition projects of public recreational lands. Operational funding for parks, refuges, and public lands will be 20 percent higher than in 2001.

Highways: The budget reflects the Administration’s revised six-year proposal of \$284 billion for reauthorization of surface transportation programs, a 35-percent increase over the previous six-year authorization bill (TEA-21) to maintain, upgrade and improve safety of our federal highway system.

Retirement Security: The budget rejects the magnitude of the President’s proposals to increase fixed insurance premiums, under-funding charges, and new risk-based premiums for participating employers, but recognizes the challenges faced by employers in maintaining and strengthening both fully-funded and under funded defined-benefit plans. The level of premium increases assumed in the budget has been significantly reduced from levels originally proposed to \$0.8 billion in 2006 and \$5.3 billion over 5 years.

Veterans: The budget does not assume the President’s proposed policy changes to benefits for veterans, including a new enrollment fee and an increase in the prescription drug co-pay for veterans. The budget assumes spending on veterans programs will increase 1.9 percent, or \$58 million over 2005, including a 3.2-percent increase or \$938 million in Veterans Medical Care programs. Since 2001, spending on Veterans Medical Care has increased 44.8 percent or \$9.4 billion.